

SECTION 2. TERM. The Term of this Agreement shall be a period of _____ (____) years commencing on _____, _____ and ending on _____, _____, subject to the renewal provisions set forth in Section ____ below and unless earlier terminated in accordance with the provisions hereof.

SECTION 3. QUANTITY.

(a) Morrell agrees to accept delivery and purchase from Producer, and Producer agrees to deliver and sell to Morrell, Producer's Total Production, subject to the following terms and conditions:

(i) Producer shall be obligated to deliver and sell to Morrell for any forty-eight (48) Delivery Weeks during each period of the Term and any renewed or extended term of this Agreement consisting of fifty-two (52) consecutive Delivery Weeks at least the number of Market Hogs determined by multiplying the Weekly Projected Total Production in effect for each Delivery Week by 80%. Notwithstanding the foregoing provisions of this Section 3(a)(i), Producer shall deliver and sell to Morrell during each Delivery Year at least the number of Market Hogs determined by multiplying the Annual Projected Total Production in effect for such Delivery Year by 90%. The parties acknowledge and agree that the provisions of this Section 3(a)(i) are intended by the parties to protect the interests of the Producer solely with respect to fluctuations of its production of Market Hogs and are not intended by the parties to enable Producer to vary the number of Market Hogs delivered in any Delivery Week for any reason other than Producer's then current Total Production.

(ii) Morrell shall not be obligated to accept delivery and purchase from Producer during any Delivery Week more Market Hogs than the lesser of (w) the number of Market Hogs determined by multiplying the Weekly Projected Total Production in effect for such Delivery Week by 120% or (x) 2,000 Market Hogs. Notwithstanding the foregoing provisions of this subsection (ii), Morrell shall not be obligated to accept delivery and purchase from Producer during any Delivery Year more Market Hogs than the lesser of (y) the number of Market Hogs determined by multiplying the Annual Projected Total Production in effect for such Delivery Year by 110% or (z) 100,000 Market Hogs. Morrell shall be entitled at any time and from time to time after the date of this Agreement to revise the number of Market Hogs specified in (x) and (z) above by notifying Producer of the revision in writing at least two (2) weeks prior to its effective date.